

NEW NUMBER

810

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D. C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D. C.

20006-2973

RECORDATION NO. 14745

JUL 26 1985 - 2 55 PM

INTERSTATE COMMERCE COMMISSION

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

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440348 CDAA UI

July 25, 1985

BY HAND DELIVERY

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are two copies of Inman Locomotive Lease dated March 19, 1984, a "primary document" as defined in the Commission's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document is:

One (1) EMD SW-9, 1200 horsepower locomotive bearing Serial Number 4098-34 and Locomotive Number 187.

The names and addresses of the parties to the enclosed document are:

Lessor: Inman Service Company, Inc.
115 North Main
Baytown, Texas 77520

Lessee: Champion International Corporation
P.O. Box 872
Pasadena, Texas 77501

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 16th Street, N.W., Washington, D.C., 20006.

7/26/85
10.00
CC Washington, D. C.

Mr. James H. Bayne
Page Two
July 25, 1985

Also enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Inman Locomotive Lease executed March 19, 1984, between Inman Service Company, Inc., Lessor, and Champion International Corporation, Lessee, covering one EMD SW-9, 1200 horsepower locomotive bearing Serial Number 4098-34 and Locomotive Number 187.

Very truly yours,



Charles T. Kappler
Attorney for the purpose of
this filing for:

Inman Service Company, Inc.

CTK/mlt
Enclosures

INMAN LOCOMOTIVE LEASE

RECORDATION NO. 14745
FILED 14745

JUL 26 1985 -2 35 PM

INTERSTATE COMMERCE COMMISSION

LESSOR: INMAN SERVICE CO., INC. LESSEE: CHAMPION INTERNATIONAL CORPORATION
115 North Main P. O. Box 872
Baytown, TX 77520 Pasadena, TX 77501
(713) 427-6677

LOCOMOTIVE DESCRIPTION: EMD SW-9 1200 H.P. 125-Ton

SERIAL NUMBER: #4098-34 LOCO #187

LEASED EQUIPMENT LOCATION:

TERM OF LEASE: Two (2) Years

RENTAL CHARGES: \$4,600.00 per month each. The rent will be invoiced at the end of each month and such invoice will be due on receipt.

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the above described Locomotive(s) (all locomotives are hereinafter referred to as "Leased Equipment"), pursuant to the terms contained herein for the consideration set out above. All payments to Lessor shall be made at the above address.

2. OPERATORS. Lessee shall supply its own operators for the Leased Equipment and Lessee agrees all operators using such Leased Equipment shall be competent and qualified.

3. DELIVERY AND ACCEPTANCE. All Leased Equipment shall be delivered to the Leased Equipment Location as set out above. Such Leased Equipment shall not be removed from such location except with written consent from Lessor. By accepting delivery of the Leased Equipment, Lessee acknowledges that said Leased Equipment is in good condition.

4. LESSOR'S MAINTENANCE DUTIES. Lessor agrees to provide maintenance service and keep the Leased Equipment in good working condition. Additionally, Lessor shall provide a Monthly or Bi-Monthly Maintenance Inspection at periods deemed most appropriate by Lessor and Lessee.

5. LESSEE'S DUTIES OF CARE AND MAINTENANCE. Lessee shall be obligated to exercise a reasonable degree of care in its use of the Leased Equipment and to perform the daily fluid and maintenance checklist pursuant to the guidelines that may be established from time-to-time by Lessor. Lessee shall not allow the vehicle to be used in an unlawful manner, nor in any manner that would result in or cause the suspension or cancellation of insurance coverage on the Leased Equipment.

6. LESSOR'S INSURANCE COVERAGE. Lessor agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

7. LESSEE'S INSURANCE COVERAGE. Lessee agrees to provide the insurance coverages shown in Exhibit "A" attached hereto and incorporated herein.

8. LESSEE'S INDEMNITY. The Lessee further agrees, as part consideration of this lease, to forever indemnify and save harmless Lessor, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly in connection with the use or handling of said Leased Equipment by the Lessee and its employees; unless such loss, damage, injury, death, claim, demands or liability is caused or contributed to by the negligent acts or omissions of Lessor.

9. LESSOR'S INDEMNITY. The Lessor further agrees, as part consideration of this Lease, to forever indemnify and save harmless the Lessee, and its successors and assigns, from and against any and all loss, damage, injury, death, claims, demands and liability of every nature arising directly or indirectly from the condition of said Leased Equipment the maintenance or failure to maintain same. Lessor further indemnifies and holds Lessee harmless from and against any and all loss in the event any of the Leased Equipment which may not be wholly owned is repossessed or foreclosed upon.

10. INSPECTION. Lessor shall have the right to inspect said Leased Equipment at any time on reasonable notice to Lessee.

11. FUELS AND OTHER FLUIDS. This lease carries no obligation on the part of Lessor to furnish any fuel, water, filters or other thing required for the operation of the Leased Equipment, or any of it, by Lessee.

12. ACCIDENTS AND DAMAGE. The Lessee shall notify the Lessor of each accident or other occurrence which causes damage to the Leased Equipment within 72 hours thereafter, give all information and cooperation which the Lessor may reasonably request in connection therewith, promptly advise the Lessor of all claims and demands relating to the Leased Equipment or the use, operation, or possession thereof, and aid in the investigation and defense of all such claims and in the assertion by the Lessor of any claims for its own account arising out of each accident or occurrence.

13. TITLE TO LEASED EQUIPMENT. Title to all Leased Equipment shall be and remain in the Lessor and the Lessee shall acquire no right, title or interest except the leasehold interest created herein. Lessee agrees to execute a UCC-1 Financing Statement prepared by Lessor evidencing this Lease Agreement.

14. RISK OF LOSS. Lessee shall bear all risk of loss, damage, theft and destruction provided however Lessee's liability shall be limited to the depreciated value of the equipment at the time of such loss, damage, theft or destruction and shall not include damages resulting from Lessor's negligent acts or omissions. At the end of the lease term, possession of the Leased Equipment shall be returned to Lessor at the Leased location in good condition, normal wear and tear excepted.

15. TAXES. Lessor shall be responsible for all personal property taxes that may accrue during the term and any hold over in connection with the Leased Equipment. Any other taxes, license charges or regulation fees levied against the Leased Equipment or its use, except taxes based on Lessor's Net Income, shall be paid by Lessee.

16. POSSESSION AFTER TERM. Any holding over at the end of the term hereof without entering into a new lease shall create a month-to-month lease cancellable by either party on thirty (30) days notice. The rent during any such hold over period shall continue at the above stated monthly charges.

17. ALTERATIONS AND REPAIRS. Without the prior written consent of Lessor, the Lessee shall not make any alterations, additions or improvements to the Leased Equipment. All approved additions and improvements shall belong to and become the property of Lessor on termination of this lease. Lessee, except for the daily maintenance and fuel checks set out above, shall not allow the Leased Equipment to be serviced, maintained or repaired by any company other than Lessor.

18. BREAKDOWN. The Lessee has selected the Leased Equipment for its own operation. The Lessor shall not be responsible for any loss of time or any other loss resulting from any breakdown or other failure of the Leased Equipment. The Lessor will repair any inoperative Leased Equipment within a reasonable time of being notified of the breakdown. Lessee shall be entitled to a prorated abatement of rent for any downtime as a result of breakdown. Such abatement shall commence when Lessee notifies Lessor of the breakdown. Lessor will use Lessor's best efforts to supply an alternative Locomotive for use in the event the breakdown cannot be promptly repaired. The abatement of rentals shall cease upon arrival of alternate Locomotive at Lessee's plant.

19. NO WARRANTY. THE LESSOR MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

20. TERMINATION UPON DEFAULT OF LESSEE. This Lease may be terminated by the Lessor prior to the expiration date set forth herein on ten (10) days' written notice delivered or mailed to the Lessee at its address as set forth above in the event that the Lessee:

- (a) Fails to pay the rental charges within the time specified herein;
- (b) Makes any breach or default under this Agreement.

- (c) Discontinues operation, abandons, or permits Leased Equipment to be subjected to unreasonable hazards or risks.

Such termination of the Lease by the Lessor or the taking or recovery of the Leased Equipment together with the Lessor's rights, remedies, or actions against the Lessee for rents provided hereunder shall constitute Lessor's exclusive remedies. On termination of this Lease for whatever reason, the Lessee agrees that the Lessor may immediately take possession of the Leased Equipment covered hereby and remove it from the Lessee's premises without the necessity of resorting to any legal process, or, at the Lessor's option.

21. TERMINATION UPON DEFAULT OF LESSOR. This Lease may be terminated by the Lessee prior to the expiration date set forth herein on ten (10) days' written notice delivered or mailed to Lessor at its address set forth above in the event that the Lessor makes any breach or default under this Agreement.

22. USE OF MAINTENANCE FACILITIES. Lessee hereby consents to Lessor's use of Lessee's Locomotive maintenance facilities and fluid containers for Lessor's performance of its maintenance duties. Lessor and its employees shall, during its use, keep all of Lessee's maintenance facilities free of debris and fluids.

23. RADIO INSTALLATION. Lessor hereby consents to the installation of two way radios on the Leased Equipment and such radios shall remain Lessee's property and shall be returned to Lessee upon termination of this Lease. Lessee shall not damage the Leased Equipment in the installation or removal of the radios.

24. MISCELLANEOUS.

(a) Time is of the essence in this Agreement.

(b) The Lessee shall not, in whole or in part, assign or sublet this lease, or any of said Locomotive, or any rights hereunder, without the written consent of Lessor except in the event of merger or reorganization. No rights of Lessee under this lease shall pass to any successor or assignee of Lessee by operation of Law without the written consent of Lessor.

(c) This Lease constitutes the entire and final Agreement between the parties and may not be amended except by agreement in writing.

(d) Lessor shall provide Lessee with forty (40) days notice prior to delivery of Locomotive to Lessee's Location. Delivery shall be prior to the expiration of said forty (40) day period upon the Agreement of Lessor and Lessee.

LESSOR:

INMAN SERVICE CO., INC.

By: William J. Dean
Title Vice President

CHAMPION INTERNATIONAL CORPORATION

By: HBK - [Signature]
Title Vice President - Materials

*Steve Perry
Materials*

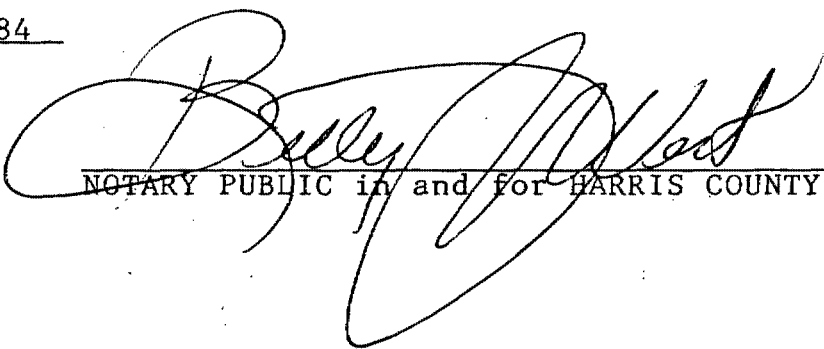
THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Weldon Inman and H. Gidez known to me to be the persons whose names subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 19th day of March A.D. 1984

(L.S.)


NOTARY PUBLIC in and for HARRIS COUNTY, TEXAS

Champion International Corporation

TERMS AND CONDITIONS

1. This order may be accepted by a written expression of acceptance or by the beginning of performance hereunder. Acceptance is expressly limited to the terms herein. The terms and conditions herein constitute a complete and exclusive statement of such terms and no other agreement or oral agreement shall in any way modify the terms and conditions hereof.
2. Seller warrants that all goods delivered and work performed hereunder shall conform exactly to the description herein and to Buyer's specifications and drawings. If any be free from all defects in materials and workmanship, be merchandise and of highest quality comparable with the grade and quality expected hereon, and be fit and sufficient in all respects for their intended purposes, which purposes Seller acknowledges.
3. All goods shall be received subject to Buyer's inspection and acceptance or rejection within a reasonable time (not less than ten days) after receipt at Buyer's premises. Buyer reserves the right to hold for Seller or return to Seller rejected goods and all expenses incurred by Buyer in so doing shall be borne by Seller. Payment for goods or work prior to inspection shall not constitute acceptance of such goods or work.
4. Seller warrants that the goods furnished hereunder do not infringe any patent or trademark rights, and Seller shall defend and hold harmless Buyer and its vendees against all claims, actions, judgments, costs and expenses resulting from any such claimed infringement.
5. Seller warrants that all goods and work furnished hereunder shall be produced and furnished in compliance with all applicable federal, state and local laws, orders, and regulations, including but not limited to, the Fair Labor Standards Act, as amended. All invoices must bear a statement substantially as follows: "We certify that these goods were produced in conformity with all applicable requirements of sections 6, 7, and 12 of the Fair Labor Standards Act, as amended and of regulation and order of the United States Department of Labor issued under Section 14 thereof."
6. Seller shall save Buyer harmless and indemnify Buyer from and against all liability, loss, damage, costs, attorney's fees and expenses sustained or incurred by Buyer on account of injury to or death of any person, or damage to any property arising out of or because of any act or omission of Seller, or the servants, agents or subcontractors of Seller, in the furnishing of goods or in the performance of work hereunder.
7. Any invoice subject to a cash discount shall be mailed by Seller on the date it is dated. If not so mailed, the discount period shall begin on the day the invoice is received by Buyer.
8. Buyer shall have the right to refuse receipt of goods which are delivered more than 15 days in advance of the delivery dates set forth herein or in written schedules furnished by Buyer to Seller.
14. The waiver by Buyer of any of its rights under this purchase order in any one or more instances shall not constitute a waiver by Buyer of any other rights hereunder or of such rights on a future occasion.

EQUAL OPPORTUNITY CLAUSE

- During the performance of this contract, the contractor agrees as follows:
- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer or otherwise setting forth the provisions of this nondiscrimination clause.
 - (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
 - (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, or otherwise advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
 - (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency or administering agency and the Secretary of Labor for purposes of investigation to determine compliance with such rules, regulations, and orders.
 - (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures set forth in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 - (7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding on each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting or administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the contractor becomes involved in, or is threatened with litigation to protect the interests of the contractor as a result of such action by the contracting or administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
- Where appropriate, the term seller shall be substituted for contractor herein.

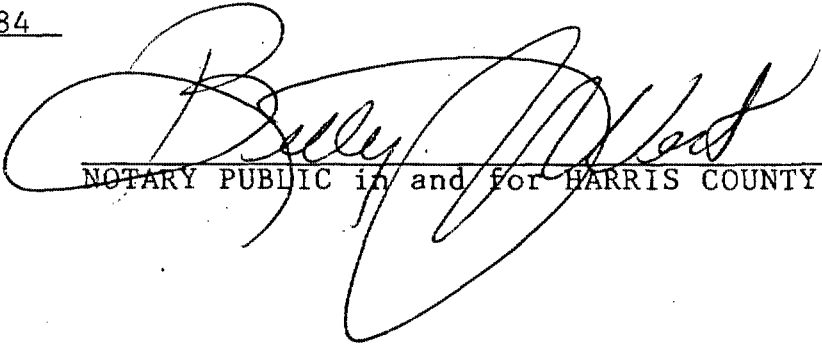
THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Weldon Inman and H. Gidez known to me to be the persons whose names subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 19th day of March A.D. 1984

(L.S.)


NOTARY PUBLIC in and for HARRIS COUNTY, TEXAS